

HALPERIN BATTAGLIA RAICHT, LLP

555 Madison Avenue, 9th Floor
New York, New York 10022
Telephone (212) 765-9100
Facsimile (212) 765-0964
Donna H. Lieberman, Esq.
Carrie E. Mitchell, Esq.

COLE, SCHOTZ, MEISEL, FORMAN & LEONARD, P.A.

Court Plaza North
25 Main Street
P.O. Box 800
Hackensack, New Jersey 07602
Telephone (201) 489-3000
Facsimile (201) 489-1536
Ilana Volkov, Esq.
Felice Yudkin, Esq.

Co-Counsel for the Class 10 Liquidation Trust

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY
HON. GLORIA M. BURNS
CASE NO. 08-14631 (GMB)

In the Matter of:

SHAPES/ARCH HOLDINGS L.L.C., *et al.*,

Reorganized Debtors.

Chapter 11
(Jointly Administered)

**APPLICATION OF THE CLASS 10
LIQUIDATION TRUST PURSUANT TO
D.N.J. LBR 9013-1(j) FOR ENTRY OF
CONSENT ORDER RESOLVING THE
CLAIMS OF BIL-RAY ALUMINUM
SIDING CORP. OF QUEENS, INC.**

HEARING DATE AND TIME:
N/A

TO: THE HONORABLE GLORIA M. BURNS
UNITED STATES BANKRUPTCY JUDGE

The Class 10 Liquidation Trust (the “Class 10 Trust”), established upon the Effective
Date (as defined hereafter) of the Chapter 11 plan of Shapes/Arch Holdings, L.L.C., et al., the
above-captioned reorganized debtors and debtors-in-possession (together, the “Debtors”), by and

through the Trustee (as defined hereafter), submits this application (the “Application”) and respectfully represents:

I. INTRODUCTION AND JURISDICTION

1. This Application is submitted pursuant to D.N.J. LBR 9013-1(j) for entry of the accompanying Consent Order (the “Consent Order”) resolving the claims of Bil-Ray Aluminum Siding Corp. of Queens, Inc. (the “Claimant”).

2. This Court has jurisdiction over the Application pursuant to 28 U.S.C. §§ 1334 and 157(b). This is a “core” proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (B) and (O).

3. Venue is proper in this Court pursuant to 28 U.S.C. § 1409(a).

II. BACKGROUND

4. The Debtors filed voluntary petitions for relief under Chapter 11 of the United States Code, as amended (the “Bankruptcy Code”), on March 16, 2008 (the “Filing Date”). The cases were jointly administered pursuant to this Court’s Order dated March 18, 2008. However, on March 30, 2009, the Court entered an Order closing the affiliated Chapter 11 cases: Shapes LLC (case no. 08-14632), Ultra LLC (case no. 08-14633), Delair LLC (case no. 08-14634), and Accu-Weld LLC (case no. 08-14635) and allowing the Chapter 11 case of Shapes/Arch Holdings L.L.C. (case no. 08-14631) to remain open.

5. The Debtors’ Third Amended Joint Plan of Reorganization (the plan, including amendments, exhibits, and modifications, being the “Plan”) was confirmed by Order of this Court dated July 24, 2008 (the “Confirmation Order”) and became effective on August 8, 2008 (the “Effective Date”).

6. On the Effective Date of the Plan, the Class 10 Trust came into existence, and pursuant to Sections 4.5, 5.2 and 5.3 of the Plan and Article IV of the Plan Administration

Agreement (an exhibit to the Plan), the Trust, by its Trustee, Steven D. Sass (the “Trustee”), was empowered to, among other things, review and file objections to unsecured claims and bring avoidance actions.

7. On March 18, 2008, this Court entered an Order pursuant to Bankruptcy Rules 2002(a)(7) and 3003(c)(3) establishing the deadline for the filing of proofs of claim evidencing pre-petition claims (the “Bar Date Order”).

8. Pursuant to the Bar Date Order, the deadline for all persons and entities to file proofs of claim against the Debtors for claims that arose on or prior to the Filing Date was May 15, 2008.

9. Claimant, by and through his counsel, filed four proofs of claim in the bankruptcy cases one on April 18, 2008, and two on April 21, 2008, in each alleging an unsecured claim against the Debtors in the amount of \$900,000.

10. In addition, on Claimant counterclaimed in the action filed by Accu-Weld in the Supreme Court of Nassau County titled, *Accu-Weld LLC v. Bil-Ray Aluminum Siding Corp. of Queens, Inc.*, Index No. 08-2266 (the “Action”) in which Accu-Weld was seeking the sum of \$1,135,238.72 from Claimant, and in which the Claimant answered and counter-claimed alleging, inter alia, non-performance of contract and seeking a judgment in the amount of \$900,000; and

11. As of the Filing Date, actions against the Debtors and their assets on account of pre-petition claims were barred by the automatic stay provisions of Section 362 of the Bankruptcy Code.

Negotiations with Claimant

12. The Class 10 Trust has reviewed the Proofs of Claim, the assertions in the Action, information provided by the Claimant, and the Debtors' books and records as they pertain to the Claimant, and has engaged in good faith, arms' length negotiations with the Claimant.

13. The Class 10 Trust and the Claimant have determined that the Proofs of Claim are duplicative of the assertions in the Action and, therefore, the Claimant has agreed to waive the Proofs of Claim. In return, the Class 10 Trust has agreed to modify the automatic stay pursuant to 11 U.S.C. § 362(a) and the injunction provisions of the Plan and Confirmation Order to permit Claimant to proceed with the Action, upon the terms set forth in the accompanying Consent Order.

III. RELIEF REQUESTED AND BASIS THEREFOR

14. The Trustee believes that entry of the Consent Order is in the estates' best interests. As a result of extensive negotiations with Claimant, the Trustee has been able to reach an agreement regarding the treatment of the Claimant's Proofs of Claim under the Debtors' Plan. Therefore, the Trustee respectfully submits that cause exists for the entry of the Consent Order.

(Remainder of Page Intentionally Blank)

WHEREFORE, the Class 10 Trust respectfully requests that the Court enter the Consent Order and grant such other relief as the Court deems just and appropriate under the circumstances.

Respectfully submitted,

COLE, SCHOTZ, MEISEL,
FORMAN & LEONARD, P.A.

By: /s/ Felice R. Yudkin
Ilana Volkov
Felice R. Yudkin
Court Plaza North
25 Main Street
P.O. Box 800
Hackensack, New Jersey 07602
Telephone (201) 489-3000
Facsimile (201) 489-1536

-and-

HALPERIN BATTAGLIA RAICHT, LLP
Donna H. Lieberman, Esq.
Carrie E. Mitchell, Esq.
555 Madison Avenue, 9th Floor
New York, New York 10022
Telephone: (212) 765-9100
Facsimile: (212) 765-0964

Co-Counsel for the Class 10
Liquidation Trust

Dated: Hackensack, New Jersey
April 30, 2010